

NEW DEVELOPMENT BANK BOARD OF GOVERNORS STATEMENT ON RESPONSE TO COVID-19 OUTBREAK

The spread of the COVID-19 pandemic has caused unimaginable hardship and suffering for millions of people around the globe. The Governments of BRICS countries, in close partnership with multilateral fora and international development community, have reacted proactively and pledged unprecedented fiscal and monetary stimulus packages to respond to adversity and challenges caused by COVID-19 outbreak.

The Board of Governors welcomes the NDB contribution to the ongoing efforts of BRICS countries to address the health and economic consequences of the outbreak. The Board of Governors welcomes the approval of RMB 7 billion Emergency Assistance Program in Combatting COVID-19 to the Government of the People's Republic of China and that support to other Member Countries was being processed to respond to their most urgent needs. NDB mobilized resources for this emergency loan to China through the first-ever RMB-denominated Coronavirus Combating Bond issued by the Bank in China in the amount of RMB 5 billion.

The Board of Governors welcomes that the Bank will also establish an Emergency Assistance Facility to meet the emergency needs of member countries. Such emergency loans to member countries could be used to finance direct expenses related to the fight against the COVID-19 outbreak or provide support to governmental measures contributing to economic recovery in member countries. In addition to the agreed USD 5 billion, the Bank targets to provide up to total USD 10 billion in crisis-related assistance including support for member countries' economic recovery.

The Board of Governors recognizes that the Bank's response to COVID-19 outbreak is in line with the actions by the international community as well as other multilateral development banks. The Bank looks forward to working together and joining hands with other development partners, including other multilateral organizations.

The Board of Governors stresses that BRICS countries would unite to combat the COVID-19 outbreak. The Board of Governors expresses sincere and profound

feelings of sympathy over the COVID-19 outbreak and offers its deepest condolences for the losses suffered.

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NDB Board of Directors approves USD 1 billion COVID-19 Emergency Program Loan to South Africa

On June 19, 2020, the Board of Directors of the New Development Bank (NDB) approved a COVID-19 Emergency Program Loan of USD 1 billion to the Government of the Republic of South Africa.

“The COVID-19 Emergency Program Loan to South Africa will be provided in response to the urgent request and immediate financing needs of the South African Government. NDB’s assistance will address urgent health needs in South Africa to overcome the COVID-19 pandemic and help mitigate socio-economic impacts on the most vulnerable populations,” said Mr. Xian Zhu, NDB Vice President and Chief Operations Officer. “Such focus of the Bank’s financing is in line with the emergency loans provided by the NDB to China and India earlier this year.”

The Loan will assist the South African Government in rolling out its healthcare response to the Novel Coronavirus Disease-19 and in providing a social safety net to alleviate the economic impact of the disease containment measures on vulnerable individuals. The Program envisages preventing, detecting and responding to the health threat posed by COVID-19, and providing social grants to vulnerable groups affected by measures implemented to prevent and contain the disease.

In its [Statement on Response to COVID-19 Outbreak](#), the NDB Board of Governors welcomed the NDB contribution to the ongoing efforts of BRICS countries to address the health and economic consequences of the outbreak and stressed that BRICS would unite to combat the COVID-19 outbreak. The NDB established an Emergency Assistance Facility to meet the emergency needs of its member countries. COVID-19 Emergency Program Loan to South Africa is the third loan approved by the NDB Board of Directors in response to the COVID-19 outbreak.

Background information

On June 16, 2020, the New Development Bank priced its inaugural benchmark USD 1.5 billion 3-year COVID Response Bond in the international capital markets. The net proceeds from the Bond issue will be used to finance sustainable development activities in the NDB’s member countries, including emergency assistance loans to the Bank’s member countries.

The NDB was established by Brazil, Russia, India, China and South Africa to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complementing the existing efforts of multilateral and regional financial institutions for global growth and development. The NDB received AA+ long-term issuer credit ratings from S&P and Fitch and AAA foreign currency long-term issuer rating from Japan Credit Rating Agency (JCR).

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